

| | |
|---|---|
| Contractor: Emerald Textile Services, Norcal, LLC | Division/Section: DPH / SFGH & LHH |
| 675 Beach Dr. | Chief Operating Officer: Greg Wagner |
| Address: La Selva Beach, CA 95076 | DPH Administrator: Andrea Turner |
| | Program Administrator: Chauncey Jackson Phone: 628-206-6020 |
| Contact: Sherry Lee Email: SLee@emeraldus.com | Contract Analyst: Dereje Geleta Phone: 628-271-6152 |

An approval of a contract with Emerald Textile Services Norcal LLC to provide laundry services for both Laguna Honda Hospital and Zuckerberg San Francisco General Hospital. The total proposed contract amount is \$8,861,160 which includes a 12% contingency for the term of July 1, 2023 through January 31, 2026 (2&1/2 years). The services in this contract, with this provider were previously administered by OCA, but will now become a DPH contract as of July 1, 2023.

Mark only one for each question below:

1. **Vendor Type** For Profit Non-Profit Government Entity
2. **Is the Vendor a CMD Certified LBE?** Yes No
3. **Purchasing Authority:** RFP Sole Source GPO
4. **Does DPH have other existing contracts with this Vendor?** Yes No
 If yes, approximately how many years has DPH been doing business with this Vendor? Provide explanation, as needed. _____

CONTRACT INFORMATION

Proposed Transaction

July 1, 2023 to January 31, 2026

FUNDING SOURCES:

| | |
|-----------------------------------|--------------------|
| General Fund | \$7,911,750 |
| <u>TOTAL DPH REVENUES:</u> | \$7,911,750 |

| | |
|---|--------------------|
| 12% Contingency Amount | \$949,410 |
| <u>TOTAL CONTRACT AMOUNT WITH CONTINGENCY:</u> | \$8,861,160 |

| | |
|---------------------------------------|-----|
| <u>ONE-TIME UPFRONT COSTS:</u> | N/A |
|---------------------------------------|-----|

| | |
|---|--------------|
| <u>ANNUAL AMOUNT OF CONTRACT*:</u> | \$ 3,164,700 |
| <i>*Excludes one-time upfront/implementation costs.</i> | |

[FOR PROGRAM ADMINISTRATION CONTRACTS ONLY]

| | |
|--|--|
| Program Administrator Indirect Percent | |
| <u>TOTAL INDIRECT EXPENSES:</u> | |
| <u>TOTAL DIRECT EXPENSES:</u> | |

PROPOSED BREAKDOWN OF ITEMS/SERVICES

LAGUNA HONDA HOSPITAL

| Item Description | Estimated Annual Usage | Unit of Measure | Unit Price (inclusive of all delivery and pick up fees) | Extended Price Year 1 | Extended Price Year 2 | Year 1/2 | Total |
|---|------------------------|-----------------|---|-----------------------|-----------------------|-----------|-------------|
| LHH Laundry Services: includes, but no limited to: surgery gowns, flat sheets, knitted sheets, pillow cases, gurney sheets, bath towels, bath blankets, incontinence pads, adult & baby blankets, scrub tops & pants, surgical towels, nursery items Must include the exchange cart fee in the price per lb. | 2,900,000 | lbs. | 0.59 | \$1,711,000 | \$1,711,000 | \$855,500 | \$4,277,500 |
| LHH: 9lbs Bio Hazard (Red Bag): (Red Bag) is a processing fee when Bio-Hazard waste bags are included in the soiled linen, Emerald used a third-party biohazardous waste company that charges them to pickup the red bags to dispose them. | 100 | EA | 50.00 | \$5,000 | \$5,000 | \$2,500 | \$12,500 |
| LHH: Liner Bags - liner bags are the plastic linen cart covers that are ordered to cover the soiled linen while they are waiting at the dock for picking up. This is a State regulation requirement. The linen bags dimensions are 53"x 34" x72", 8mm thickness. | 100 | EA | 199.00 | \$19,900 | \$19,900 | \$9,950 | \$49,750 |
| LHH: Cart Cover Cleaning process. These are treated as special handling items, which are washed and dried in the dedicated specialty area in Emerald. After they are cleaned, they are hand folded and packaged for delivery. | 1,000 | EA | 3.00 | \$3,000 | \$3,000 | \$1,500 | \$7,500 |
| Total | | | | \$1,738,900 | \$1,738,900 | \$869,450 | \$4,347,250 |

ZUCKERBERG SAN FRANCISCO GENERAL HOSPITAL

| Item Description | Estimated Annual Usage | Unit of Measure | Unit Price (inclusive of all delivery and pick up fees) | Extended Price/year 1 | Year 2 | Year 1/2 | Total |
|---|------------------------|-----------------|---|-----------------------|-------------|-----------|-------------|
| ZSFG Laundry Services: includes, but no limited to: surgery gowns, flat sheets, knitted sheets, pillow cases, gurney sheets, bath towels, bath blankets, incontinence pads, adult & baby blankets, scrub tops & pants, surgical towels, nursery items | 2,500,000 | lbs. | \$0.55 | \$1,375,000 | \$1,375,000 | \$687,500 | \$3,437,500 |
| ZSFG: Scrub Garment Processing (rolling) includes both tops and pants specifically for scrub dispensing machine | 90,000 | EA | \$0.515 | \$46,350 | \$46,350 | \$23,175 | \$115,875 |
| ZSFG: Lab Coats, inclusive of washing, ironing, and hand folding | 1,000 | EA | \$3.00 | \$3,000 | \$3,000 | \$1,500 | \$7,500 |
| ZSFG: String Wet Mops for floor projects for waxing and buffing floors | 5,000 | EA | \$0.26 | \$1,300 | \$1,300 | \$650 | \$3,250 |
| ZSFG: Restraints for patients in PES (Psychiatric emergency service) | 200 | EA | \$0.75 | \$150 | \$150 | \$75 | \$375 |
| Total | | | | \$1,425,800 | \$1,425,800 | \$712,900 | \$3,564,500 |

Purpose of Contract:

Emerald Textile Services Norcal LLC will perform all the linen services for both hospitals in a complaint manner that meets all regulatory requirements. The provision of linen services is a required function of any hospital. The contract was awarded under the authority of Administrative Code 21A.2 which authorizes the department's membership in the Vizient group purchasing organization (GPO). Under the GPO, the awarded contract was with the HealthCare Linen Alliance ("HCA"). HCA is comprised of six regional vendors specializing in providing linen services in acute care and non-acute care facilities across the U.S. and Canada. Being a member of HCA, the department is authorized to contract with Emerald Textile Services Norcal LLC.

Emerald Textile Services Norcal LLC is the largest acute care linen service provider operating twelve processing facilities and three service centers with commercial business operations in California, Nevada, Utah, and Arizona. Emerald Textile Services Norcal LLC was originally founded in 2010 and Emerald Textiles' group of companies are fully owned subsidiaries of Wash Encore Holdings, LLC, a Delaware limited liability company, incorporated June 21,2018.

Performance Monitoring:

The contract will be monitored in accordance with Hospital and network monitoring procedures by the Program Manager assigned to these services.

Health Equity and Inclusion Compliance:

The Department will work with Contractor will provide necessary information to comply with the Department's Office of Health Equity (OHE) requirements and will align with the citywide efforts on contract equity as overseen by the Office of Racial Equity (ORE) in the Human Rights Commission.

Listing of CEO, Board of Directors, and Owners of 10% or More of the Firm:

CEO: Andrew Kratky , Board and Chief Executive Officer

Board of Directors: There are 4 board members. Board members serve until the earlier of his or her death, resignation, or removal. There are no vacancies and there are no term limits for members.

| # | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE |
|---|--------------------------------|-------------|-------------------------|
| 1 | Anderson | Gregory | Board of Directors |
| 2 | Sznewajs | Christopher | Board of Directors |
| 3 | Shepard | Michael | Board of Directors |
| 4 | Marut | Jack | Board of Directors |
| 5 | Kratky | Andrew | Chief Executive Officer |
| 6 | Gennuso | Jeff | Chief Financial Officer |
| 7 | Leavy | Dan | Chief Operating Officer |

Owners of 10% or more of the Firm: Emerald Textiles' group of companies are fully owned subsidiaries of Wash Encore Holdings, LLC, a Delaware limited liability company, incorporated June 21,2018.
